DOW THEORY LETTERS INC.

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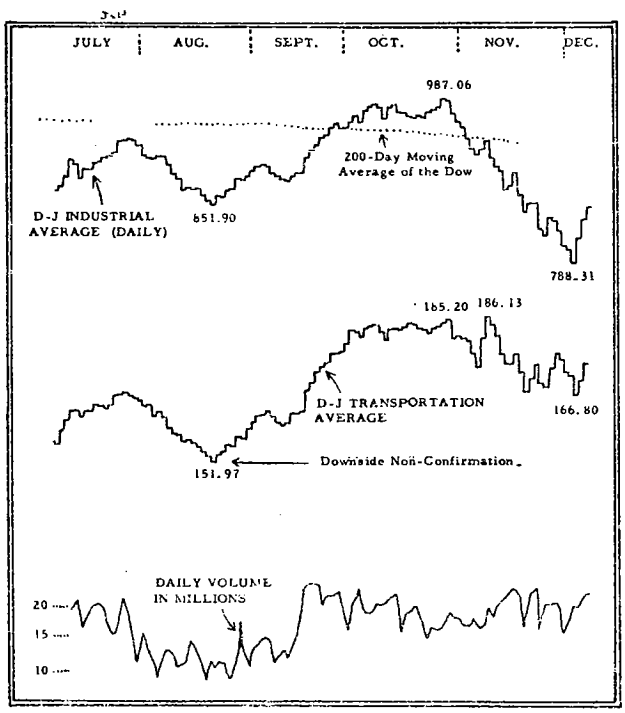
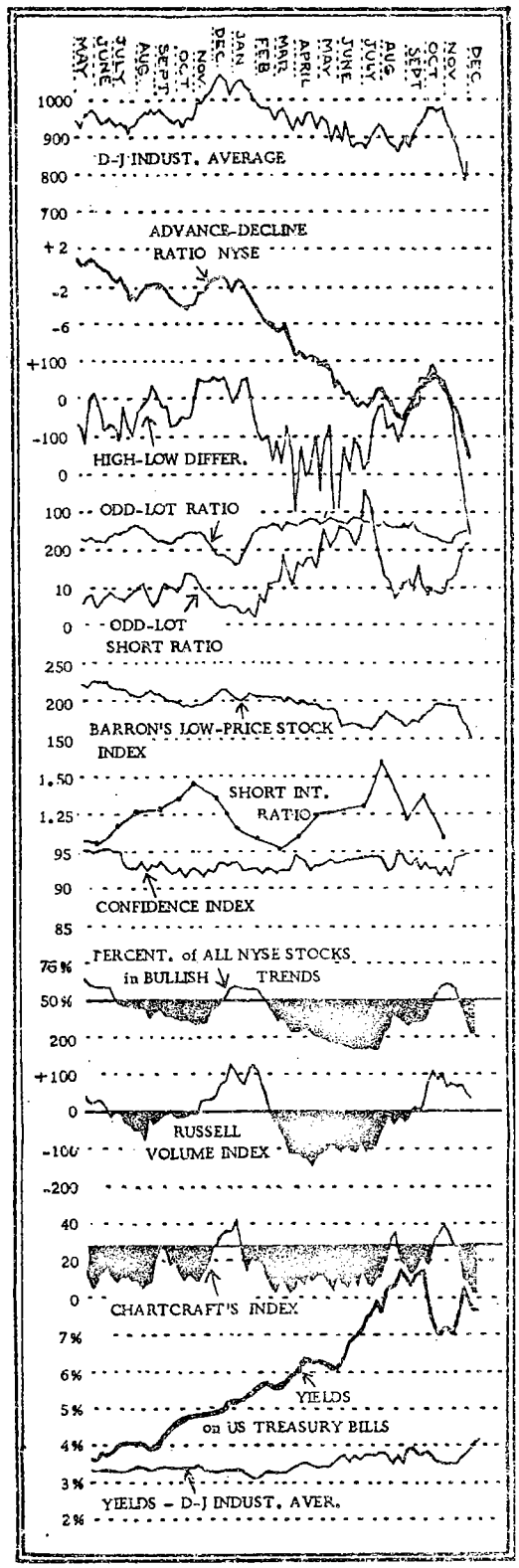
Nov. 30, DJIA 822.25; PTI 653; A-D ratio -18.98
Dec. 7, DJIA 838.05; PTI 641; A-D ratio -19.52

THE PICTURE: I don't know whether there is any point in reviewing the events of the disaster which has overtaken Wall Street. Most have all been predicted in these reports. Subscribers have been warned and forewarned until I was weary of writing bearishly. Over the weekend I went through chartbooks of both the NYSE and Amex. The carnage depicted is enough to make a grown man cry. Stock after stock smashed, pulverized, losing anywhere from 15% to 90% of their value in 1973 alone! And not just low-grade issues, I am talking about Chrysler having lost two-thirds of its market value in a year, Disney down two-thirds, Outboard Marine down two-thirds, Johns-Manville down over 50%, Bunker-Ramo down 75%, and on and on by the hundreds. Since the October high the average unweighted NYSE stock is down 24%, and down 38% for the year! I am reminded of famed Dow Theorist William Hamilton's words: "When coming events cast their shadows before, those shadows fall on the New York Stock Exchange." The shadows have fallen.

The hardest single job I have is keeping subscribers invested (or "un-invested" as the case may be) in harmony with the great primary trend of the market. To put it in its most elemental terms, in a primary bull market "we're in"; in a primary bear market "we're out" and on the sidelines (or holding gold shares in this particular instance). That may sound simple — it's not. People always seem to want to stay out or later bail out of a primary bull market (except near the frothy final top). And during a bear market you have to pry investors loose from their shares (or else the market does that for you via margin calls, panics, bankruptcies and omitted dividends).

I have been writing continuously since 1966 that the primary tide of the market is bearish. In the face of this (just to confuse the issue) we have witnessed the greatest series of Governmental manipulations in the nation's history — all in an effort to





 keep this inflationary boom going. Again and again I noted that the longer the tide is held back, the more devastating the ultimate resumption of the bear market. And that seems to be what is happening here in 1973.

It is the almost unanimous opinion that the Arab oil embargo has been the cause of the 1973 market crash. This is the sort reasoning I would expect from the public, but I am surprised at how many of my own colleagues have fallen for this tale. The fact is that the market has been looking bearish for a long, long time. Under Dow Theory the highest peaks were recorded jointly by the Industrials and Transports in February, 1966. Since then it has been a case of ragged advances, sudden collapses, every kind of monetary manipulation, massive inflation, and an almost continuous decline in that most reliable of indicators, the advance-decline ratio (which shows us the advancing or declining tendencies of the majority of stocks on the NYSE).

The Arab oil embargo has proved a handy "scapegoat" for those who were unable to comprehend the big picture. But I will shortly make a prediction, and it will doubtlessly come as a surprise to readers. First, a brief discussion. The market discounts, and it usually discounts fairly quickly. If it was the "surprise" oil embargo which caused this smash, then the market would have discounted the worst within a few horrendous days or weeks, then worked higher as it began discounting the eventual lifting of the embargo. That is the kind of action I would have expected if this were a primary bull market.

Unfortunately, this is a bear market, and bear markets are tricky, "hard to read," and made to part the investor from his money. The reason is that informed interests are distributing during a bear market, and they will use every deception and trick to get rid of their stocks (since they have a great deal of stock to sell). I believe that large interests have wanted to spread the fiction that the only thing wrong with this market is its "emotional reaction to the oil embargo" (the implication being that as soon as the embargo is lifted, "off we go on the upside").

Now here is my prediction for a "coming shocking event." I believe that the market has already discounted the worst possibilities stemming from the oil embargo, and that from wherever the market is on the day of the lifting of the embargo, it will rally for a short time — but it will then TURN DOWN AGAIN AND SELL OFF BIG ON THE "GOOD NEWS." That's bear market action, and I believe that those who buy on the eventual embargo-lifting news will be suckered into a trap!

What I do think is happening here is that we are now going deep into the second (psychological) phase of this bear market. Subscribers may remember that under Dow Theory the second phase is the one in which stocks go down in reaction to obviously deteriorating business conditions. This generation has never seen a business contraction within the context of a primary bear market, but Wall Street is now performing its function — it is reflecting the coming trouble and the storm flags are flying.

In crashing so horribly, the market is telling us that the situation during 1974 is going to be worse than even the pessimists expect. We may be going into a vast credit liquidation. Or we may be going into a chaotic period of sales contraction with many businesses and our Government having to raise money to cover their debts simply to avoid bankruptcy. Remember, just as a primary bull market works a "pyramid effect" of plusses and optimism on the upside, a primary bear market exerts a "domino effect" on the downside. By next year, the dominoes could well be tumbling.

I have gathered a very large number of new subscribers over the past few months, and I will repeat this for their benefit: I would like all subscribers to be out of all but the top-rated Aaa bonds (and preferably not many of these). I would prefer your assets in Treasury bills or perhaps part in C/D's of top-rated banks. Have one-third to one half of your assets in gold shares. This primary bear market is now coming on with a vengeance which has been built up over eight years. It's an express train, and I hardly have to tell you that when you see the train coming you don't argue with it — you get out of the way!

Back to the market: as often noted, the Utility Average has proven to be an excellent bellwether over the past few decades. It was the Utility Average which led the other Averages and the market higher all during the bull market of 1949 to 1966. Prophetically, the Utilities topped out in early 1965, a year before the other two Averages. Today we have the specter of the Utilities leading the market down, but it is the extent of the decline which I find so ominous at this time.

The low for modern history on the Utility Average occurred in 1942 at 10.58 (that's right, 10.58). The all-time high for Utilities was registered in 1965 at 163.32. The 1942 to 1965 rise for Utilities was 152.74 points, and the halfway level of that rise was 86.95. On December 1, the Utilities broke below the 50% level of the entire rise of 1942 to 1965. That's the kind of technical damage I don't even like to think about (see 50% Principle comments on page 2 of the last Letter). As far as I'm concerned, Utilities are in dreadful trouble, and I have no "downside support level" theories regarding where the Utilities are headed or where they will stop. But this is a point which you should etch in your mind: the primary trend usually takes stocks further in either direction (higher in a bull market, lower in a bear market) than anyone believes possible! For Utilities, that observation already has proved itself.

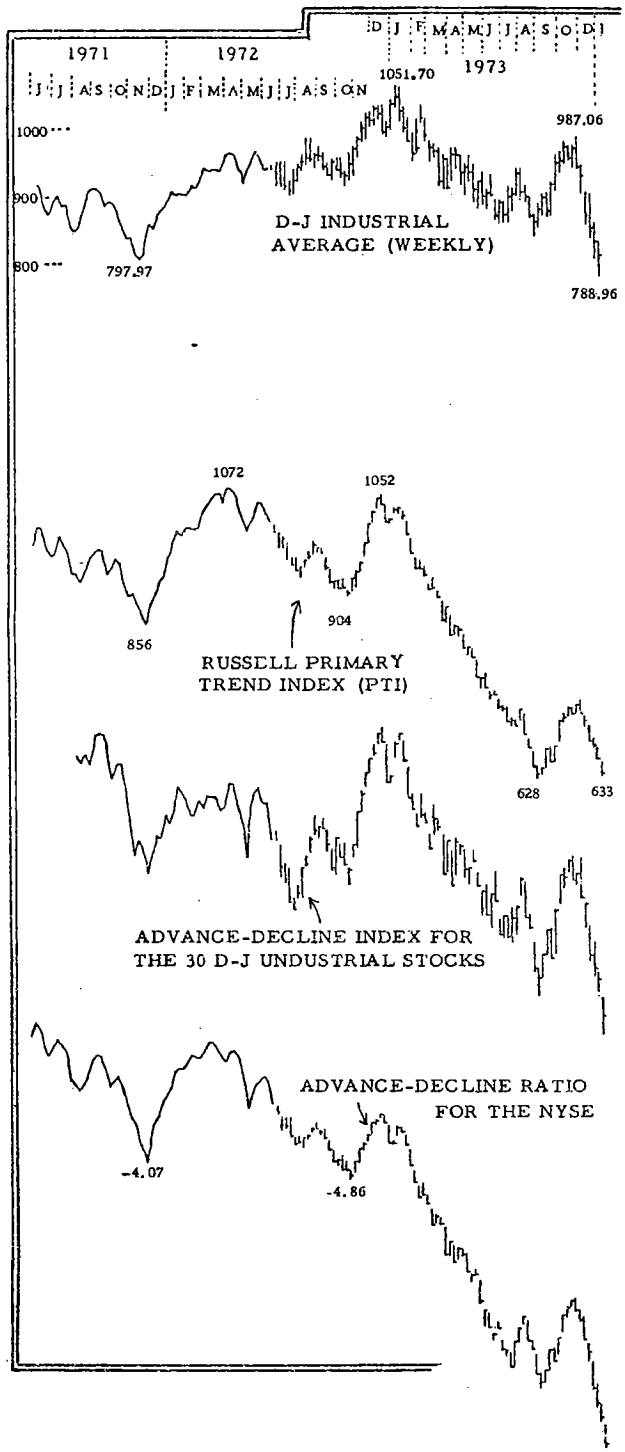
There have been weeks in the past when absolutely nothing seems to be happening in the market. At such times, I may spend half a day simply wondering what to write about (or whether I am missing something that I should be writing about). But these days my real problem is how to fit everything I want to tell subscribers into these Letters and what I can afford to cut out. Subscribers can help me (and themselves) here by saving and filing their back Letters (that's why I go to the expense of punching holes in every mailing). Then, instead of having to go over the whole explanation in each study, I can refer to the previous study and readers can (if necessary) reread the past descriptions, refer to the preceding chart, and update it with my latest comments. Of course, I will repeat charts and studies periodically, but there simply isn't room (and it doesn't make sense) to repeat each study everytime I want to refer to it.

For instance, in Letter 580 (page 2) I included my latest study of two very important indices, the most-active stock index (MAS) and the cumulative most-active stock index (CMAS). I said that I would consider it very bearish if CMAS broke below its August low. On December 3 this did occur, and the CMAS now presents a picture of continuing bear market distribution with sporadic rallies.

The accompanying chart of the Dow and three of the indicators which we follow is updated with this mailing, and this should give us perspective as to where we are. Note that the Dow has formed a giant "head-and-shoulders" top. It is also significant that the Dow broke below its 1971 low of 797.97 before entering its "year-end rally" phase. The rally so far has all the appearances of a typical explosive bear market upward correction; it is moving far too fast and is being manufactured by "bounces" across the Board in all of the recently battered issues.

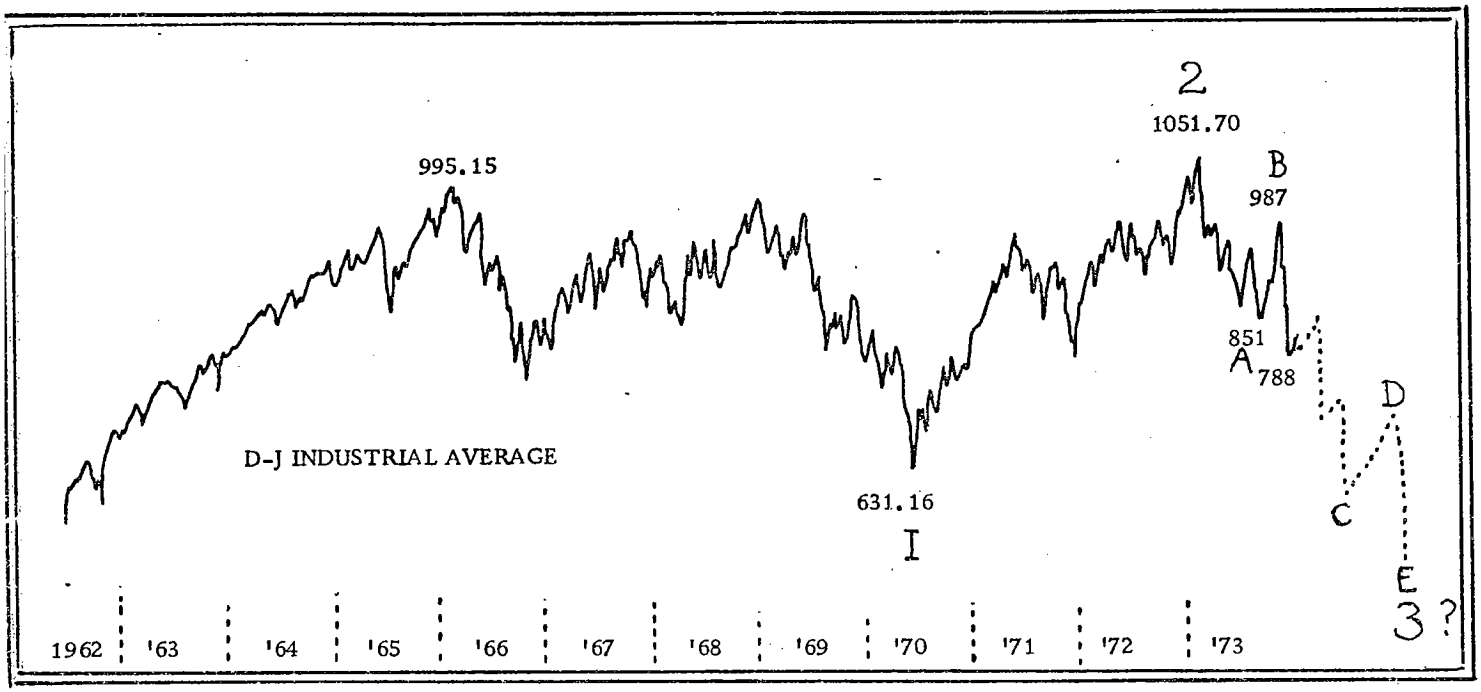
It was fascinating to me to see the PTI hold 5 points above its August low on the October-November decline. This was a non-confirmation and jibes with the Transport non-confirmation of the Industrial decline (see last Letter). When the current year-end recovery runs out of steam and turns down, I will be watching the PTI. If it breaks the 1973 low of 628, I would expect an assault on the 1970 Dow low of 631.15.

The A-D ratio speaks for itself. It profiles the catastrophic descent of the majority of stocks on the NYSE. I expect this index to continue its "look" of the past three years until this bear market breathes its last (in other words, a series of declining tops and bottoms, working ever lower).



THE TALE UNFOLDS: I use Elliot Wave Principles in conjunction with the Dow Theory because it helps me in my thinking. It is necessary to revise the smaller Elliot Wave projections, but on the whole, the larger projections stand up.

I have included a chart on page 4 which updates my Dow-Elliot thinking regarding the entire primary bear market to date (see Letters 562 and 580 for background). As I have explained before, primary bear markets generally take the form of a giant 1-2-3 pattern down, with the 1 and 3 waves being the major downswings, and the number 2 wave being the major correction. In a "flat" type bear market correction (which I believe the Dow is now in) the peak of wave 2 (2 is the upward corrective wave) often approaches or even betters the old bull market top (which it did in January, 1973, when the Dow bettered the 1966 top).



The first major wave (#1) carried from the '66 bull market top of 995.15 to the 1970 low of 631.16. The big corrective wave (#2) took the Dow (but little else) up to a 1973 high of 1051.70. All of which brings us to the wave we are now in — the final major downward wave #3.

Wave 3 (or 2 to 3) should break down into 5 legs in an A-B-C-D-E type pattern as shown on the chart. The first downward le has been completed as has the upward correction, which is leg B. From B we have dropped a straight-line 200 points to the December low of 788. The question — does the huge drop to 788 represent all of leg C or will leg C break up into 5 much more defined legs as shown in the dotted line on the chart (B to C)? The fact is that the October-November smash was one of the most violent declines in market history, and it will take time and perspective to determine whether 987 to 788 is to represent all of leg C or simply the first of the three downswings in leg C (as shown on the chart).

Actually, on the daily chart I can break the October-December (987 to 788) decline down into 5 smaller legs, and Elliot optimists who want to be super-optimists can claim (at least for now) that 987 to 788 may complete the B-C leg. I'm afraid I'm not that hopeful.

Here is my reasoning. The C leg in an Elliot pattern is generally longer than the A leg. The A leg of major bear market wave 3 took the Dow from 1051 to 851, a decline of 200 points. The C leg took the Dow from 987 to 788, a decline of 199 points. The odds are great, therefore, that the October-December, 1973, smash is simply the first downward sub-leg in the much larger B-C leg as shown on the chart. Unfortunately, this implies that the bear market will ultimately be very drastic with the termination of the C leg perhaps in the low 600 area, and final leg E even lower (perhaps substantially lower).

Conclusion: The A leg of this final major leg 3 was large — 200 points. The second downward leg or leg C shapes up as a big leg, we have already seen 200 downside points. All this points to a big bear market, and I expect the ultimate termination to occur below the 1970 low of 631.16 and most likely well below it. I want my subscribers to prepare for this kind of depressing action. I don't make the market, I simply interpret it as best I can. What I come up with my subscribers know about. But there's no sense dealing in happy pipe dreams in this business when you're getting 200-point downside patterns in the Dow (and remember, the 200 point A leg of wave 3 came before anyone ever heard of the Arab oil embargo).

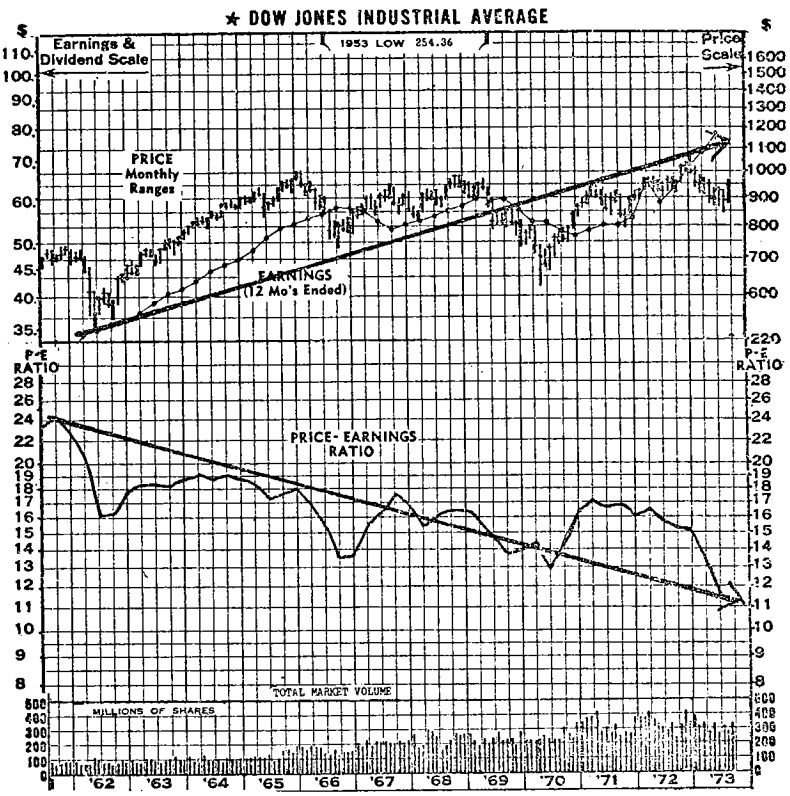
PRICE-EARNINGS: The two paragraphs on page 5 are from Robert Metz's daily column in the New York Times. Almost everyone is aware of how economics and profits can affect the stock market. But few people comprehend how the trend of investor psychology can affect the market. One broad gauge of the affects of investor sentiment on stocks is the price/earnings ratios. This is simply the "multiple," or how many times earnings the market is willing to pay.

One of the time-honored measurements of market psychology is the P/E ratio for the Dow Industrial Average. It is of interest that on a trend basis, the P/E for the Dow has been declining for over 10 years. This is documented on this monthly chart on page 5 which I include through courtesy of Securities Research, 208 Newbury St., Boston, MA 02116. Note the steady decline

in the P/E line from 1961 to 1970, then a bulge during 1971 and 1972 as some enthusiasm entered the market. But most recently the P/E ratio has dropped back to its long-term trendline. This means that despite the highest earnings on record (see chart) for the Dow, investors in 1973 were anything but enthralled by the business outlook.

More than one stock market observer has looked at the price-earnings ratios shown in the daily stock tables and has concluded that the current market is discounting not only the future but the hereafter as well.

Multiples of 3 and 4 are not uncommon—especially on the American Stock Exchange —and there is even a handful of companies with price-earnings ratios listed as 2 and even 1.



Currently, we see the Dow Industrials selling for about 11 times average earnings for the 12 months ending June, 1973. This is a far cry from the 24 times earnings of 1961 or even the 17 times earnings seen at the heights of 1972's enthusiasm.

Two factors work in a primary bear market to drive the price of stocks down. One is a decline in actual earnings. As far as the Dow is concerned, this has not even shown yet in the statistics. The second factor is a decline in the P/E ratios. This has been going on for many years, as seen on the chart. Inexplicably, in fact, the long-term decline in P/E's began well before the bear market started in 1966.

Most investors do not realize how far P/E's tend to drop at historic bear market bottoms. I will not use the 1932 bottom, because at that bear market bottom the earnings on the Dow collapsed to a net deficit. But at the 1942 bottom the Dow P/E declined to 9.2. And at the 1949 bottom the Dow P/E dropped to 7.

As a guess, I would say that the P/E on the Dow could drop to the vicinity of 7 at the final bottom of this bear market, particularly since the trend of P/E's is in such an established long-term downtrend. As to earnings on the Dow at the final bottom of this bear market, I do not even pretend to know.

Why has the P/E trend been declining for so many years? Here again, I can only offer my guess. It has to do with a growing feeling of uneasiness, skepticism, even foreboding on the part of the American people. During the "innocent 1950's" and into the 1960's, Americans tended to believe in the hopes, aspirations and "predestined path" of American greatness. "Let's just sit back and let it happen," was the sentiment.

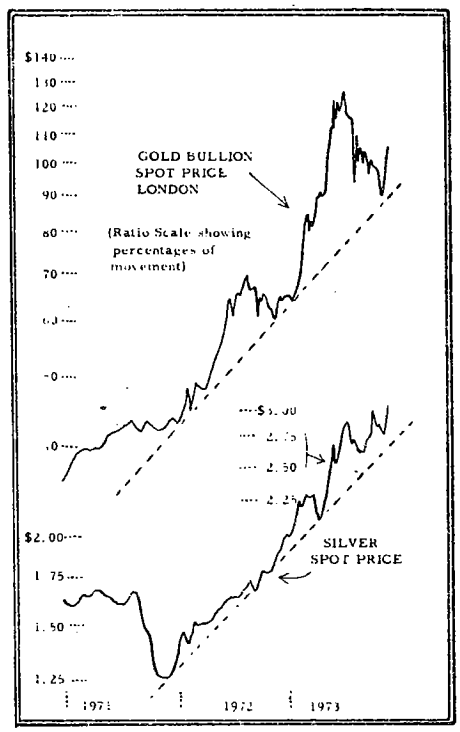
Perhaps it was the debasement of our money, perhaps it was Vietnam, the rise of inflation and the "easy buck," or was it all the later symptoms such as violence, narcotics, graft, riots? At any rate, as seen in the pattern of the P/E's on the Dow, investors were saying that the quality of the earnings of 30 of the nation's greatest corporations was worth less and less.

Clearly, the intelligence of the "mass consciousness" knew more than any one of us knew. Which is simply another way of stating the venerable Dow Theory principle: the movements of the Averages are guided by what everyone knows about everything, and this surpasses the knowledge and wisdom of the President, the Treasurer, the Congress or any single man or group of men.

GOLD: Slowly but relentlessly the gold story is moving towards its next climax. Gold bullion has now moved from the "Novemb scare low" of $90 (a level which completed its correction, see Letter 581) to above $107. On December 5 Federal Reserve Chairman Burns tried his hand at frightening bullion buyers by saying that the US might talk to other central banks about selling gold sometime in the future. Result, new recovery high in gold. Conclusion: gold is now in very strong hands, is being accumulated and is marching higher. Any "anti-gold" talk from politicians should now be taken as an attempt to shake the gold tree so that gold will not move up too fast for the accumulators.

The oil embargo has succeeded in moving Europe considerably further away from US influence. In time I expect this to be translated to the economic sphere. On December 7 South Africa decided to take the plunge, and she severed connections with IMF regarding gold. The IMF accord stated that the IMF would purchase gold from S. Africa under certain conditions at the "official price." S. Africa (perhaps taking a lead from the Arabs) has correctly decided that she doesn't need "help" in determin

a price for gold. From now on, all S. African gold will be sold on the free market. This gives S. Africa a totally free hand in selling gold, and the objective will be a higher price. Thus the Arabs are using oil in their battle for economic power, the S. Africans are using gold. The US is using fiat paper, but it better start using its head.



If you can't find any other reason for subscribing to Dow Theory Letters, you can take comfort in the fact that I publish what seems to be (and I don't know why) the world's only ratio scale (semi-log) chart of gold and silver bullion. To me this chart is invaluable since it allows you to determine whether these metals are holding to a steady rate of climb (which they most assuredly are), and it also allows you to compare the relative rate of climb in gold and silver. As you can see by the trendlines, both metals are moving up beautifully together and at about the same "growth rate."

When you think of the unbelievable amount of anti-gold propaganda which has accompanied this gold rise, you can appreciate the relentless forces which are pushing gold higher. So far, the hard money, the inside money, the smart money has been moving gold and silver up these trendlines. In due time, the public will join the parade (I have never seen the public stay out of anything which continued to rise on a trendline basis). When this happens, "Gold Fever" will overtake the world.

I believe that gold will go over the $127 high during 1974 (probably early 1974). I believe we will see the beginning of gold fever at that time. I predict that Washington will do a complete flip-flop and begin encouraging production and purchase of gold (another reason why I like Homestake, which is a US company). Why will Washington change? Simple — we need gold, all the gold we can mine, and Washington and the public will be finding that out shortly.

'ten quote editor Donald Storey of the Bank Credit Analyst. In the latest ..e he states: "...There can be no doubt that all central bankers now have a major interest in getting the price of gold up." He says (1) central bank gold-to-paper reserves now need building, (2) the Arab states would far prefer gold-backed currencies, (3) US opposition to gold, now that the dollar is stronger, is diminishing. Later Storey adds, "what has happened in recent weeks and months only confirms that gold is still the most attractive reserve asset for private as well as official bodies, and over time the price can only go higher."

From our "How do the Arabs feel about this one?" Dept. I include here two news clips from last week's New York Times. The idea is clear enough — in the face of a world slump the inflation spigots are being opened up again around the world. The answer to the above question is provided in the third clip from the Dec. 3 Money Manager. The Arabs may be moving some of their huge cash holdings out of foreign banks. It is estimated that they have $9 billion in various banks, most in the US and about $1.4 billion in sterling in London. On the threat that this money might be pulled out, Britain on December 6 suffered its worst stock market panic in history. I would guess that Arab cash is now moving to purchase gold. Note: two weeks ago 500,000 ounces of gold bullion were shipped from NYC to Switzerland. My bet — part of this was Arab gold.

I am including two point & figure charts (page 7) which I have updated from the Crosschart Book, 18 E.41st St., NYC 10017. The first is the US's Homestake, probably the largest gold mining ...ty in the Western world. I'm not going to go into the funda-...ntals of this leading, debt-free mine (with divisions in S. America and Australia), except to say that HM picks up about 6-7¢ a share for each dollar rise in gold. The chart shows a perfectly

Europeans Tone Down Anti-Inflation Measures

By CLYDE H. FARNSWORTH
Special to The New York Times

PARIS, Nov. 29—Faced with a growing threat of unemployment arising from the energy shortage, the economic authorities of Europe are toning down the measures they were planning to use in the fight against inflation, rigorous and precise than were expected. The reason is that the member states told the authorities in Brussels to keep the options open.

In Frankfurt the Bundesbank,

Fed May Be Sharply Expanding Credit Supply, Analysts Assert

By ROBERT D. HERSHEY Jr.

The Federal Reserve may have initiated a vigorous expansion of the nation's credit supply, spurred by energy shortages that have made an economic downturn more likely next year.

This conclusion is being drawn increasingly of late by analysts who, while they have applied, although many money-market observers do not yet see it because interest rates are still high."

The latest Reserve data, published yesterday, do not reflect any massive stimulation of the economy, but they are entirely consistent

Behind the hurry-up meeting of Western finance ministers in France a week ago reportedly is the insistence of King Faisal of Saudi Arabia that steps be taken to prevent the further erosion in value of his balances kept in Western currencies. An emissary of the king reportedly told the gathering that Faisal was dismayed at the effects of two pound and two dollar devaluations on his holdings. Moreover, he reportedly described the continuing inflation in most Western countries as confiscatory as far as his balances were concerned and that he had no intention of building further balances under the present circumstances.

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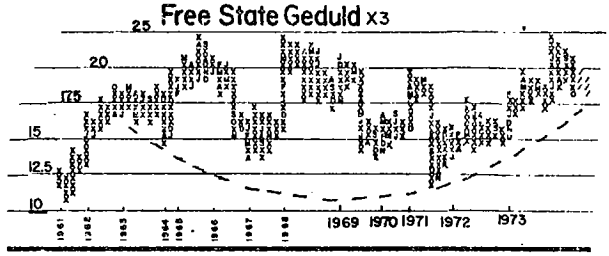
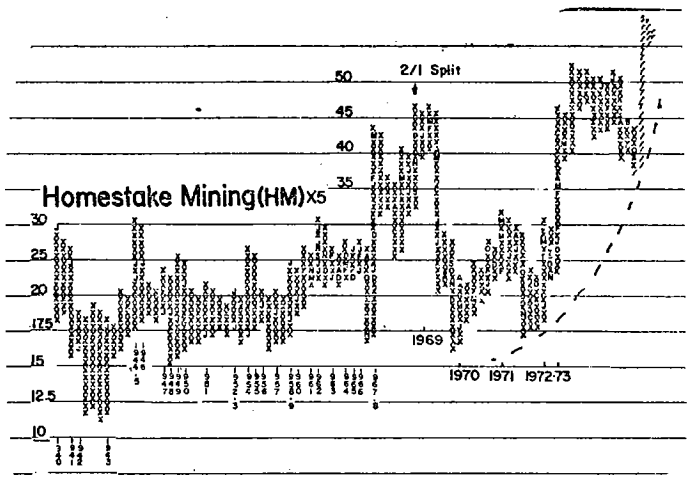
The message was seen as a veiled warning that the Arabs might begin to use their vast currency holdings, as well as their oil, as a weapon in their economic war against the major industrial powers.



huge base in HM; it also shows that at 55 HM is just breaking out of that base. The structure as shown here could support a price into the hundreds. I have recommended HM for years and my older subscribers have more than doubled their money in it. I don't think it is too late to buy this leading mine.

Free State Geduld is known as a shorter life S. African mine. If gold goes to $150 or better, Free State could be a medium life mine, and with even higher priced gold FS could turn into a medium-long lifer. What interests me here is the price structure as shown on the chart. If FS breaks out above 25, this structure is saying that FS could move much, much higher than anyone expects. I believe there is something "good" about FS that is not known to the public. If FS rises above 26, we'll have a chance to find out. With a $2.52 payout for 1973 (15% of which is not taxable), it is not too hard to "sit" with FS. I like it, and I recommend it.



For new subscribers I will mention a few golds that I like. These are Campbell Red Lake, Sigma, Camflo, all in Canada. Homestake in the US. In S. Africa I like Vaal Reefs, Western Deep Levels, Kloof, President Brand, President Steyn, Blyvoors, West Driefontein. These can all be purchased via ADR's. In answer to many letters, I do not think the US will confiscate ADR's or gold shares. I think the US will be encouraging its citizens to buy gold shares. This will take time, but we can already see the softening. Washington can stay stupid for decades. But ultimately truth and intelligence prevails, even in our government (it may take a world collapse to bring out the truth, but then I never promised that the truth about the power of gold would come easily).

STOCK ACTION: Anything which is totally functional (it really "works") seems to contain elements of beauty. For instance, probably the oldest piece of machinery still in very wide current use is the Colt 45 automatic, invented in 1911, still standard in the US Army, and still the same pistol that Mr. Colt invented 62 years ago. It's a masterpiece, it works, it's efficient, and essentially it possesses a kind of "beauty" all of its own (ask any gun buff).

I feel that way about stocks that work the way I figured they are "supposed" to work. For instance, I thought the way Allied Chemical (ACD) moved out to within a fraction of its 1973 high on December 7 was beautiful, a pleasure to watch. The stock has been under accumulation, it looks right. If I didn't prefer golds in this bear market to anything else, I must say that I would be tempted to speculate on a chunk of ACD. But I can still enjoy its action. You don't have to try to make money on everything! Leave that to the piggies.

Speaking of pretty action, on the big two-day Dow "bounce" of Dec. 6 and 7 the golds acted absolutely magnificently. Instead of selling off (as they usually do when the Dow rallies), they moved up! This told me one thing: informed interests had bids under all the gold shares which were available. They were hoping the market rally would knock the golds down to where they could pick them up at the bid prices. It didn't happen. Conclusion: gold shares are now in very strong hands. They act as solid as rocks. If you are a new subscriber and don't have any or don't have enough, buy the golds on this market rally. They look ready to take off in 1974.

NOTES, QUOTES, THOUGHTS: The funds are beginning to get gold-minded. Of mutual fund over-the-counter favorites for third quarter 1973, a strange face has appeared. Number 15 in dollar amount purchased was Vaal Reefs, the giant S. African gold (and uranium) producer which I have been recommending for years. The funds purchased $5.6 million in Vaal. Is this the beginning?

People sometimes ask me, "What is the best business to be in?" Without a moment's hesitation I say, running a mint. Here's how the US fiat money production costs run (although penny costs are now higher due to the rise in copper, and pennies will soon be made out of aluminum!) ...costs: 57¢ for a dollar's worth of pennies, nickels cost 25¢ for a dollar's worth, quarters cost 7.5¢ per dollar, dimes 6.6¢ per dollar, "silver" dollars cost 5.5¢, halves 4.5¢. Biggest profit-maker, paper currency which costs $9 per $1000, any denomination desired. So there you have it, manufacturing junk money is the world's best business in my opinion.

I may miss alot but my subscribers don't. Thus, three subscribers have written me regarding Letter 582's Fibonacci pin-pointing of December, 1974. They write to say that 1974, if the digits are added separately (1, 9, 7, 4) comes out to 21, a Fibonacci number!

The big car market is now falling apart with sales down sharply and many dealers slashing prices to around $200 above cost. Used car prices, buckling under the strain, are down 10% or more. Many wonder how agencies exclusively in big cars will stay in business.

I want to thank all those who sent in the hundreds of "extended subscriptions" (at the $75 price) which have been received here over the past few weeks. Total subscriptions for this service are currently at the highest level since I started this business in 1958 (which I understand is rather atypical of the industry these days). So — I want to thank all my old subscribers and all new subscribers too. I have spent the last two Saturdays writing short "thank you" letters. I cannot answer all of the letters, so don't feel insulted if you don't get a return. I appreciate your notes tremendously.

Also, my appreciation to those around the world who send me the very valuable news clips. A Tokyo subscriber just sent me a Diner's Club card (written in Japanese) in which the Club offers gold ingots (in three sizes) to members on three-day credit. I must admit that the Diner's Club card in color was most attractive, with those photos of bright ye ingots. Sooner or later, Americans will get the same chance — then the gold rush will be on in earnest!

In January there is going to be a most outstanding monetary conference and at a most crucial time in history. I will be there (see, Harry Schultz, I can leave the La Jolla borders). I reproduce here the announcement from International Investors. I couldn't possibly do a better job than they did in announcing the conference.

LATE NOTES: The market, as expected, is rallying in a long overdue attempt to put three upside days together (this hasn't happened since the October peak!) The rally could extend into early January, and if it does — well, that's par for the course. My friend George Schaffer observes that during major bear markets the high for any given year is often set very early in the new year. It wouldn't surprise me to see the 1974 high recorded during January, for that reason.

Meanwhile, remember, the gold stocks traditionally are lower during the final quarter of any given year, and are stronger during the first half of the new year. Since gold shares have acted so well (contra-seasonally strong) during the last quarter of 1973, I believe they could put on quite a performance during the first six months of 1974. Therefore, I would prefer that my subscribers do their buying of gold shares now.

1974 MONETARY SYMPOSIUM

One of the most important 'Gold & Monetary' Symposium ever to be presented in this country takes place in New Orleans, January 18, 19, and 20th. Never in the history of "investment" clinics or seminiars has there been a gathering of this countries' leading economists and investment advisors all put on one program. This symposium promises to be "The Event of the Year" and one that no one should miss, especially our subscribers.

The list of speakers reads like "who's Who" of the nation's leading Economists - Investment Advisors - Publishers. Speakers like Franz Pick considered one of the world's leading currency analyst; John Exter and Hans F. Senholz, two of this country's leading economists and experts in international banking along with gold and silver operations; William Tehan, known as "Mr. Gold" of Wall Street; Alden Rice Wells, publisher and author; Thomas Holt, publisher of the Holt Advisory Service; Dr. John Hospers, author of numberous books and editor of the magazine The Personalist; John Kamin, publisher of the Forecaster; Vern Myers, publisher of Myers Finance & Energy publication; Richard Russell, publisher of the Dow Theory Letters, John McFalls recognized expert on gold stocks will be the Master of Ceremonies.

While the list goes on and on, our point is that for the cost of $200 (at least until December 15th after which $300) it is one of the best investment buys you will make in 1974. I doubt if ever again such a program could be put together, and even if it were, those who miss this one might not have the opportunity to acquire the facts and knowledge that these people possess in time to combat the monetary and economic uncertainities that confront all of us today.

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